



County of Los Angeles
CHIEF ADMINISTRATIVE OFFICE

713 KENNETH HAHN HALL OF ADMINISTRATION • LOS ANGELES, CALIFORNIA 90012
(213) 974-1101
<http://cao.co.la.ca.us>

J. Howard

DAVID E. JANSSEN
Chief Administrative Officer

Board of Supervisors
GLORIA MOLINA
First District

YVONNE B. BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

December 23, 2005

To: Mayor Michael D. Antonovich
Supervisor Gloria Molina
Supervisor Yvonne B. Burke
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
From: *David E. Janssen*
David E. Janssen
Chief Administrative Officer

E-COMMERCE STATUS REPORT

This is the fifth report on the progress of E-Commerce. This report will focus on the progress of contract negotiations. As indicated in our last status report, the Taskforce has agreed on the Cost Neutrality Policy amendments to be recommended to your Board for approval. These amendments to the Cost Neutrality Policy will be incorporated into the Board letter that will be filed for contract approval.

Contract Negotiations

The vendor evaluation process was completed in October 2005. Contract negotiations with the highest ranked vendor were targeted for November 2005. The Internal Services Department initiated negotiations between County staff and this vendor, however, we were unable to reach agreement on a contract that is in the best interest of the County. The vendor insisted on a minimum monthly service fee which was based upon a volume of transactions the County could not guarantee. In addition, there are limits to the firm's ability to customize transaction reporting to meet the needs of the user departments or districts. As a result, we initiated negotiations with the second ranked, lowest cost vendor, as allowed in the Request for Proposals. These negotiations are continuing and the Taskforce anticipates making a recommendation to your Board for contract award by the end of January 2006.

Each Supervisor
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Checklist to Implement E-Commerce

The Taskforce created a checklist for E-Commerce implementation that outlines the steps necessary for a County department or district to implement an E-Commerce application. The checklist is now available online and should be a valuable aid for departments that need help starting the E-Commerce process. Links to sample forms and contact information are also now available online. Based on discussions with the prospective E-Commerce vendor, some updates to the checklist may be required for the application security evaluation and assessment responsibility, and service request and implementation procedures.

Please feel free to call me, or your staff may contact Chiu Lee at (213) 974-1261 if you have any questions.

DEJ:DIL
DD:CL:kd

c: Executive Officer, Board of Supervisors
County Counsel
Auditor-Controller
Chief information Officer
Director, Internal Services Department
Treasurer and Tax Collector